

Lesson: *Planning for Your Financial Future*

Planning for Your Financial Future is a 60-minute interactive lesson. This lesson provides information and tools to:

- Understand our motivations regarding money
- Write SMART financial goals
- Develop a personal spending plan to achieve personal financial goals

Learning Objectives

At the conclusion of this lesson, learners should have attained the knowledge and skills necessary to develop personal financial goals and make adjustments to personal spending to attain those goals.

Enabling learning objectives:

- Describe financial strategies for developing a spending plan that balances needs and wants
- Describe the components of a SMART goal
- Write one SMART personal financial goal to achieve in the next 12 months
- Identify information needed to complete a spending plan to achieve personal financial goals
- Develop a spending plan to achieve a personal financial goal
- Identify personal financial management resources

Learning Activities

This lesson contains the following activities:

- Money Personalities – optional video (4-minutes)
- SMART Goal Challenge (4-minute individual activity and discussion)
- Spending Plan – optional video (4-minutes)
- Spending Plan Worksheet (30-minute individual activity)
- Your Action Plan (5-minute discussion)
- Improve Your Cash Flow – optional (1-minute individual activity)
- Websites (2-minute demonstration)

Content Outline

1. Welcome and Introduction (2 minutes)
 - Welcome
 - Facilitator Introduction
 - Agenda
2. Money Personalities (6 minutes)
 - Money Personalities (optional video)
 - Money Personality Descriptions
 - Financial Strategies
 - Spenders
 - Givers
 - Savers
 - Investors
3. The Power of Planning (7 minutes)
 - Wishes vs. Goals
 - Characteristics of SMART Goals
 - Which is a SMART Goal?
 - Activity: SMART Goal Challenge
 - Prioritize and Quantify Goals
4. Developing Your Spending Plan (40 minutes)
 - Spending Plan (optional video)
 - Four Steps to Developing a Spending Plan
 - Activity: Spending Plan Worksheet
 - Your Action Plan
 - Improve Your Cashflow
5. Resources (3 minutes)
 - Websites
 - Office of Financial Readiness
 - Sen\$e Mobile App
 - Military OneSource
 - Financial and Legal
 - Additional Support Resources
 - Personal Financial Manager (PFM)
 - Personal Financial Counselor (PFC)
6. Conclusion (2 minutes)
 - Summary and Review
 - Final Questions

Training Materials

A laptop, projector, and screen are needed to project the PowerPoint presentation and videos, if applicable, during the training session. You will also need the following items to conduct the session:

- PowerPoint Presentation: *Planning for Your Financial Future*
- Handouts:
 - *Spending Plan Worksheet*
finred.usalearning.gov/assets/downloads/FINRED-Spendingplan-TK.pdf
 - *SMART Goals*
 - *Financial Values*
finred.usalearning.gov/assets/downloads/USAA-EF%20TC%20Handout-Financial%20Values%201220E1R1.pdf
 - *My Rating as a Money Manager*
finred.usalearning.gov/assets/downloads/USAA-EF%20TC%20Handout-My%20Rating%20as%20a%20Money%20Manager%201220E1R1.pdf
- Videos
 - *Money Personalities*
<https://finred.usalearning.gov/Hosted/video/MoneyPersonalities>
 - *Spending Plan*
<https://finred.usalearning.gov/Hosted/video/PFCSpendingPlan>
- Blank paper
- Pencils or pens
- Large chart paper or whiteboard (optional)
- Markers (optional)
- Internet connection (optional)

Using This Instructor Guide

The presenter is the most important part of delivering information. Make sure to familiarize yourself with the content in the lesson so that you can effectively discuss each key point during the training session. Review the material and practice delivering the content ahead of time in order to feel comfortable covering the material in your own words.

To use this Instructor Guide, review its various parts and components below.

The **Discussion Points** section contains the key points you must present in the training. The information should be presented in the order provided. Use the discussion points as a lesson outline. Avoid reading it word-for-word.

An **Instructor Note** provides guidance for the instructor in presenting the discussion points. This section also includes specific instructions on using the media, activities for learners, and references to any other documents or content.



This symbol indicates a handout is associated with the content.



This symbol indicates a discussion activity is associated with the content.



This symbol indicates a video is associated with the content.

Course Preparation

Being prepared for training promotes organization, projects a positive image, and reduces stress. To ensure you are prepared, review the following:

- *Planning for Your Financial Future* PowerPoint Presentation
- *Money Personalities* (optional video)
- *Spending Plan* (optional video)
- References
 - DoD Instruction 1342.22, *Military Family Readiness*
 - DoD Instruction 1322.34, *Financial Readiness of Service Members*
- Resources
 - finred.usalearning.gov/Planning
 - www.militaryonesource.mil/financial-legal/personal-finance/

Instructor Note: Prior to the start of the session, print enough copies of each handout so each learner has a copy.

Personalize your lesson. Use the white space on the left side of the page to add your own notes and prompts for discussions.

You can fill it with:

- Subject matter
- Detailed/technical information
- Instructional strategies and methods
- Personal experiences
- Examples and analogies

Discussion Points



Slide 1

1. Welcome and Introduction

Instructor Note: Display slide 1.

Welcome learners to the *Planning for Your Financial Future* lesson.

Gain learner attention and interest:

- Share a short story about the lesson topic
- Share a surprising fact about the lesson's topic(s)
- Ask learners to write down one thing they hope to learn from attending the training today

Facilitator Introduction

Introduce yourself by providing:

- Your name
- Your experience with the lesson topic, financial counseling experience, and/or professional/educational background

Instructor Note: Read the disclaimer to the group.

Disclaimer: *The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.*



Slide 2

Agenda

Instructor Note: Display slide 2. Briefly introduce the lesson topics.

- Money Personalities
- The Power of Planning
- Developing Your Spending Plan
- Resources

Ask: By show of hands, who wants to be wealthy or make work optional as soon as possible?

Say: For most people building wealth is determined by how you manage your finances and not how much money you make.

Today we are going to discuss some important aspects of financial planning which are setting goals and building a spending plan. To live comfortably and build wealth it is important to develop these fundamentals of financial planning so that they become a habit.



Slide 3



2. Money Personalities

Instructor Note: Display slide 3. Distribute the *Financial Values* and *My Rating as a Money Manager* handouts (optional). Explain that the handouts are resources learners can use to learn about their views of money and money management.

Say: Understanding your own motivations regarding money can help you identify how you can use your spending plan to help you achieve your goals.



Slide 4

Instructor Note: Display slide 4. This slide contains one hyperlink.

There are two options for presenting the information about money personalities.

- Play the *Money Personalities* video followed by a short group discussion to identify learner's money personality and generate strategies for balancing financial needs and wants for each of the four personalities.
- Present the information in the **Money Personality Descriptions** section below and then have a short group discussion to identify their money personalities and generate strategies for balancing financial needs and wants for each of the four personalities.



Preparation: Prior to the start of the training session, test the video to ensure that it plays. Adjust the audio volume so it can be heard at the back of the room.



Instructor Note: If you have an internet connection and chose to show the video, click the screen icon in the lower right corner of the slide. You can also play the video by selecting the link below.

Purpose: The video introduces learners to the concept of money personalities.

Time: 6 minutes

Materials:

- *Money Personalities* video (runtime: 3 minutes 34 seconds)
vimeo.com/588455317

Process:

1. Explain that how we think, speak, and approach our finances may be influenced by our "money personality."
2. Play the video.
3. Engage learners in a short group discussion to identify their money personalities and generate strategies for balancing financial needs and wants for each of the four personalities. See the **Financial Strategies** section below for strategies for balancing financial needs and wants for each of the four personalities.

4. If you will provide the optional handouts, *Financial Values* and *My Rating as a Money Manager*, distribute them and explain that they are additional resources learners can use to learn more about their views of money and money management.

Money Personality Descriptions

Instructor Note: If you chose to not play the video, provide the information below about each money personality and then ask learner's to identify which personality they think they are. Ask the group to generate ideas on strategies for balancing financial needs and wants for each of the four personalities.

Spenders

- They are emotionally connected to spending.
- They associate spending money with gaining the acceptance and respect of others.
- They are prone to "Retail Therapy"; spend money to make themselves happy.
- Their financial goals will likely include purchasing a new car or a better home.

Savers

- They like the security of having money in the banks.
- They tend to be conservative in their savings.
- Their financial goals will likely include maintaining an emergency fund and becoming debt free.

Givers

- They show love by spending money on others.
- They will often spend money on gifts or experiences for loved ones.
- Their financial goals often involve leaving a legacy for their family. This can include investing in life insurance and estate planning.

Investors

- They see money as a tool to be used to achieve financial goals.
- They may be willing to take on more financial risk in pursuit of higher returns.

Their financial goals often focus on achieving fully funded retirement accounts.

Financial Strategies

Instructor Note: Below are suggested high-level strategies for each money personality.

Spenders

- Consider using cash over credit to avoid going into debt
- Budget for impulse spending
- Implement a waiting period before making an impulse buy. This gives you more time to consider the need for the purchase.

Savers

- Consider the difference in financial returns on investing versus standard savings.

Givers

- Remember to pay yourself first
- Budget for gifts

Investors

- Create a backup plan in case a risky venture does not result in expected returns.
- Establish an emergency fund to prevent the need to prematurely pull funds out of investments to cover everyday expenses.

Instructor Note: If you will provide the optional handouts, *Financial Values* and *My Rating as a Money Manager*, and have not already distributed them, distribute them now and explain that they are resources learners can use to learn more about their views of money and money management.



Slide 5

3. The Power of Planning

Instructor Note: Display slide 5.

Say: In this topic we will look at how having a plan for your money can truly make a difference in your financial health.



Slide 6

Wishes vs. Goals

Instructor Note: Display slide 6.

Ask: Who can tell me the difference between a wish and a goal?

Instructor Note: Allow learners a few moments to talk about what they think the difference is between a wish and a goal.

Say: The difference between a wish and a goal is having a plan to get you where you want to be.

A wish is something you desire and typically involves no effort.

Example: I wish I could win the lottery.

The fact of the matter is that we all wish for something, but often do not put an effort toward attaining our wish.

A goal on the other hand, is something you work to accomplish. Goals require planning and demand effort.

Example: I wish to travel to a tropical island; therefore, I will need to set a date and save the money required to cover airfare and lodging and to eat and explore.

When it comes to attaining for goals, having a plan for your money can truly make a difference. And, if you are going to turn wishes into goals, you need to understand how to develop SMART goals.



Slide 7

Characteristics of SMART Goals

Instructor Note: Display slide 7.

Say: Successful people have SMART financial goals! They take control of their money, plan how their income will be spent or saved, and commit to their goals in writing.

Goal setting is an important part of personal financial management. Goal setting helps you decide what you want to accomplish with your money and clearly define the steps needed to get there.

SMART goals are Specific, Measurable, Achievable, Realistic, and Time-Bound.

Specific: When setting up financial goals, you must make them specific.

- Goals should be straightforward and emphasize what you want to happen.
- Specifics help you focus your efforts and clearly define what you are going to do.
- Being specific is determining the what, why, and how of the goal.

Measurable: If you cannot measure your goal, you cannot manage it.

- Establish concrete criteria for measuring progress toward the attainment of each goal you set.
- Measuring your progress helps you stay on track and reach your target dates and experience the exhilaration of achievement that spurs you on to continue your efforts and reach your goal.

Achievable: Good financial goals are ones that you can reach; otherwise, you probably will not commit to them.

Realistic: The goal should be attainable and practical. A realistic goal is designed within your current financial means.

Time-bound: You should be able to complete the goal within a set a timeframe: one week, three months, by retirement, and so forth. SMART goals can be short, intermediate, or long term.

Using SMART goals helps you to create a clear target to work toward and gives you a sense of urgency, which makes you more likely to reach the goal.

Now, let's look at an example of a SMART goal.



Slide 8

Which is a SMART Goal?

Instructor Note: Display slide 8.

Ask: Which goal statement meets all of the characteristics a SMART Goal?

Say: Only one of them is a SMART goal. The correct answer is Goal B.

Instructor Note: Ask each question. Allow learners a few moments to respond before you provide the answer.

Is the goal specific?

- **Goal A's** objective is vague. How much money is "enough"? What is the saving strategy? When exactly does this person want to retire?
- **Goal B's** objectives are clearly stated—a set dollar amount should be saved in a specific account by a particular age.

Is the goal measurable?

- **Goal A's** objective is unclear. It would be very difficult to measure success for the goal.

- **Goals B's** progress is easy to track by checking the balance in the TSP account as it builds up over time.

Is the goal achievable?

- **Goal A** is worded in a general way that makes it tough to assess whether it is achievable or not. If the individual thinks “enough money” is two million dollars but they are already age 50 and only has five thousand dollars in a TSP account, then this goal is not achievable without major outside help.
- **Goal B** is achievable, assuming that the individual has sufficient time to save the targeted amount by the set date.

Is the goal realistic?

- **Goal A** does not give enough data to determine if it is realistic.
- **Goal B** may be realistic depending on if the individual is capable of investing \$400 per month.

Is the goal time-bound?

- **Goal A** has no fixed end date.
- **Goal B** has a fixed end date—when the individual turns 63.



Slide 9



Activity: SMART Goal Challenge

Instructor Note: Display slide 9.

Preparation: Prior to the start of the session, print enough copies of the *SMART Goals* handout so each learner has at least one copy.

Purpose: This activity is designed to encourage learners to write one SMART personal financial goal to achieve in the next 12 months.

Time: 4 minutes

Materials: *SMART Goals* handout

Process:

1. Distribute handout.
2. Tell learners to write down a SMART personal financial goal they want to achieve within the next 12 months.
3. Tell learners how much time they have (e.g., 2 minutes) to create their SMART goal.
4. Ask for volunteers to share their goal.

5. Engage with the group to briefly review their goals and determine if all characteristics of a SMART goal are included.
6. Encourage learners to revise their goal if necessary to ensure it is a SMART goal.

[End activity]



Slide 10

Prioritize and Quantify Goals

Instructor Note: Display slide 10.

Say: If you are like most people, you probably have more than one financial goal. What do you do then? You will need to prioritize your goals.

To do this, decide which goal is most important to you and rank the remaining goals.

- Foundational goals like building emergency funds and protecting against unplanned events should take priority.
- Another important goal to consider is saving for retirement since it requires accumulating a large amount of money and this takes time.

After prioritizing your goals, write down when you want or need to reach each goal and how much money is needed to achieve the goal (as shown in example on the slide).

Instructor Note: Explain that the example is for a person who has added a new child to their family and who wants to increase their emergency savings by \$2,400. They also want to save for a new car and their child's education. They are calculating the education goal based on their newborn starting college in 18 years, however, if their 7-year-old car is beginning to show its age and will need to be replaced in a few years, this new car goal will be more immediate is a higher priority, at least temporarily, over saving for the education of a newborn. *\$185 per month assumes an average 7% rate of return, compounded monthly, in an education savings account.

Say: It is important to think these goals through. Once you know the amount needed, you can budget (allocate) for the expense and create your spending plan.

Keep in mind what inflation will do to your goal over time, especially if your goal is a long way off. In these cases, you may want to utilize a financial calculator or speak to a Personal Financial Counselor to help determine how much you will need to save.



Slide 11

4. Developing Your Spending Plan

Instructor Note: Display slide 11.

Ask: How many of you have a written spending plan?

Say: Many studies have shown that having an organized, written spending plan is a critical first step for individuals who want to take control of their money and relieve stress.

In this next topic I will introduce you to a simple tool you can use to plan and monitor your spending.



Slide 12



Spending Plan (optional video)

Preparation: Prior to the start of the training session, test the video to ensure that it plays. Adjust the audio volume so it can be heard at the back of the room.

Instructor Note: Display slide 12. This slide contains one hyperlink. If you have an internet connection and chose to show the video, click the screen icon in the lower right corner of the slide. You can also play the video by selecting the link below. If you will not play the video display slide 13.

Purpose: The video introduces learners to the four steps in preparing a budget.

Time: 4 minutes

Materials: *Spending Plan* video (runtime: 2 minutes, 55 seconds)
vimeo.com/588004993

Process:

1. Before you start the video, state that the first step in developing a spending plan is understanding the budgeting process.
2. At the end of the video, display slide 13.

[End activity]



Slide 13

Four Steps to Developing a Spending Plan

Instructor Note: Display slide 13. If you played the video ask the group if they have any questions about the video and the four steps to developing a spending plan. If you did not play the video, briefly describe the four steps to developing a spending plan.

Step 1. Understand Your Current Situation

- Know what money is coming in and where your money is going.
- Track your spending

Step 2. Know Where Your Money Should Go

- Save and invest 10–15% of pre-tax income
- Limit housing to basic allowance for housing (BAH) or 25% of pre-tax income
 - Housing includes mortgage or rent, taxes, utilities, and maintenance
- Keep transportation expenses (auto payment, insurance, gas, and maintenance) at 15–20% of pre-tax income

Step 3. Create a Plan

- Set limits on how much you will spend each month
- Balance needs and wants

Step 4. Make Adjustments

- Revisit and update your plan as your life changes:
 - Get a pay increase / decrease
 - Deploy or make a permanent change of station (PCS) move
 - Change in family situation



Slide 14



Activity: Spending Plan Worksheet

Instructor Note: Display slide 14.

Preparation: Prior to the start of the session, print enough copies of the *Spending Plan Worksheet* handout so each learner has at least one copy.

Purpose: This activity provides learners the opportunity to begin the process of creating a spending plan.

Time: 30 minutes

Materials: *Spending Plan Worksheet* handout

Process:

1. Explain that this activity will help learners identify information they need to complete their spending plan.
2. Distribute handout.
3. Allow 20 minutes for learners to complete the handout. Answer questions as they come up.
4. If time permits learners can calculate how much of their income they should spend on housing and transportation, etc. using the recommended percentages described in the *Spending Plan* video.
5. Debrief the activity by asking the group if this activity has helped them identify where they have money left to save or spend. Explain that if their expenses are more than their income, they should look for expenses to reduce or cut.

Instructor Note: Encourage learners to complete this activity whether they run the budget in their household or not. Recommend that those who do not normally maintain the family budget check with their spouse to identify gaps.

[End activity]



Slide 15



Your Action Plan

Instructor Note: Display slide 15.

Purpose: The goal of this discussion is for learners to generate ideas on what they can do if, after completing the spending plan worksheet, they do not have enough money to put toward their SMART goal.

Time: 5 minutes

Materials: White board or chart paper, markers

Process:

1. Ask the group what someone could do if, after completing the spending plan worksheet, they do not have enough money to put toward their SMART goal.
2. Write on the white board or chart paper the group's ideas.
3. Display slide 16. End the discussion by saying with a plan in place, you have the tools you need to take action to improve your financial future:
 - a. Start by setting SMART goals
 - Establish emergency fund
 - Eliminate debt
 - Save for future
 - b. Develop a spending plan to meet these goals
 - c. Review your progress at least annually

d. Adjust your plan as necessary



Slide 16

Instructor Note: If time permits display slide 16 and provide the following information.

Say: There are three actions to take when working to improve your cash flow. Each of these steps requires some serious consideration and possibly some further exploration.

First action: Increase your income.

- You can do this by seeking a promotion, getting a second job, or adjusting your income tax withholding.
- Making tax adjustments should not be done without consulting a tax professional or a financial counselor. A simple misjudgment in adjusting your taxes could leave you owing the IRS, so ensure you use your resources.

Second action: Decrease your living expenses.

- Question yourself, “Do I really need to make this purchase now?”
- Get into the habit of reducing, reusing, and recycling the material things you already own.

Third action: Decrease indebtedness.

- You can do this by using a power payment program where you apply extra funds to high-interest debts in order to get them paid off more quickly.
- A personal financial counselor or other qualified financial counselor at your Military and Family Support Center can give you more information on power payment programs and provide debt management resources.

Any one of these actions on its own can help you erase a deficit. A combination involving two or three actions will help you increase your cash flow and get your personal finances on track to attain your financial goals even more quickly.

[End activity]



Activity: Improve Your Cash Flow (optional)

Purpose: The goal of this activity is to provide time for learners to use information generated during the previous group discussion to make changes on their spending plans.

Time: 1 minute

Materials: *Spending Plan Worksheet* handout

Process: Encourage learners to take a few moments to make changes to their Spending Plan Worksheet based on ideas the groups generated in the discussion.

[End activity]



Slide 17

5. Resources

Instructor Note: Display slide 17.

Say: In this final section we will look at some of the free resources that available to help you achieve personal financial success.



Slide 18

Websites

Preparation: Familiarize yourself with the websites:

- FINRED—information about a wide range of financial topics and the Sen\$e mobile app
finred.usalearning.gov/
- Military OneSource—information about personal finance
www.militaryonesource.mil/

Instructor Note: Display slide 18. This slide uses animations and contains hyperlinks. Click one time to reveal the additional image, bullet, and link. If you have an internet connection, click the links to show learners where they can find information and financial planning resources on the websites.

Say: The **Office of Financial Readiness** website is a great resource for Service members and their families to find information and assistance in achieving and maintaining financial readiness.

The website provides many different resources regarding personal finance articles, worksheets, calculators, and tips on topics such as spending and saving, credit and collections, and taxes. The **Sen\$e** mobile app is a great new resource to use for financial education on the go. Visit the app store on your device and download the app today. The app includes a Spending Plan tool.

You can access additional personal finance resources on the **Military OneSource** website.



Slide 19

Additional Support Resources

Instructor Note: Display slide 19. This slide uses animations and contains hyperlinks. Click two times to reveal the bullets and links. If you have an internet connection, click the links to show where on the web pages learners can locate personal financial professionals.

Say: If you would like to learn more about financial planning, consider talking to a financial professional. There are two types of financial professionals available to you at no cost: Personal Financial Manager and Personal Financial Counselor (PFC).

These individuals have a degree and are nationally certified. They can provide you with personal financial counseling and financial education and training, like the session today.

- To find a **Personal Financial Manager** at your nearest installation visit the Military OneSource website.
- To find a **PFC** check out PFC locator map on the Office of Financial Readiness website. These individuals are available 24/7, 365 days a year.



Slide 20

6. Conclusion

Summary and Review

Instructor Note: Display slide 20. At the beginning of the session if you asked learners to write down one thing, they hoped to learn from attending the training today, ask them if they learned what they had hoped they would, and if not to share with the group what they wrote down.

Provide a short answer or explanation to what learner's shared and invite them to make an appointment with a personal financial counselor to learn more.



Slide 21

Final Questions

Instructor Note: Display slide 21.

Ask: Does anyone have any final questions about the topics we covered today?

- Money Personalities
- The Power of Planning
- Developing Your Spending Plan
- Resources

Thank everyone for participating in the discussions and sharing their ideas!

